

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
Alaska Communications Systems Group,)
Inc., Transferor,)
)
and)
)
Project 8 Buyer, LLC, Transferee,)
)
Joint Application for Consent to Transfer)
Control of Domestic and International)
Authorizations Pursuant to Section 214 of the)
Communications Act of 1934, As Amended)

**JOINT APPLICATION FOR CONSENT TO TRANSFER CONTROL OF
DOMESTIC AND INTERNATIONAL SECTION 214 AUTHORIZATIONS**

Pursuant to Section 214 of the Communications Act of 1934, as amended (“the Act”),¹ and Sections 63.04, 63.18, and 63.24 of the Commission’s rules,² Alaska Communications Systems Group, Inc. (“Alaska Communications”), and Project 8 Buyer, LLC (“Project 8”) (together, the “Applicants”) request Commission consent to transfer control of the domestic and international Section 214 authorizations (the “Section 214 Authorizations”) held by Alaska Communications’ operating subsidiaries (the “Operating Subsidiaries”) from Alaska Communications to Project 8. Through its operating subsidiaries, Alaska Communications is a leading provider of telecommunications and broadband services in Alaska. Project 8 is controlled by ATN International, Inc. (“ATN”), which has a long and successful history of providing

¹ 47 U.S.C. § 214.

² 47 C.F.R. §§ 63.04, 63.18, and 63.24.

communications service to insular and underserved markets in the United States and the Caribbean region, and Bermuda. The Applicants are parties to an Agreement and Plan of Merger pursuant to which Project 8 will acquire Alaska Communications and the Operating Subsidiaries (the “Transaction”).

The Transaction contemplates the transfer of control of domestic and international Section 214 authorizations, wireless service licenses, submarine cable licenses, and a non-common carrier earth station license. A list of the applications that are being submitted in connection with obtaining the Commission’s approval for the Transaction, as well as a list of the FCC authorizations and licenses subject to the applications, are listed in Attachment A to Exhibit 1.

This narrative provides the information required by the International Section 214 Main Form and Sections 63.04, 63.12, and 63.18 of the Commission’s rules. Attached as Exhibit 1 is a statement providing a more detailed description of the Applicants and the Transaction, and demonstrating that the Transaction serves the public interest.

I. INFORMATION REQUIRED BY 47 C.F.R. § 63.18 AND THE IBFS SECTION 214 MAIN FORM

A. Contact Information – Answer to Question 10 (Section 63.18(c)-(d))

Correspondence concerning this Joint Application should be directed to:

*For Alaska Communications and the
Operating Subsidiaries:*

Karen Brinkmann
KAREN BRINKMANN PLLC
1800 M Street, N.W., Suite 800N
Washington, DC 20036
202-365-0325 (tel.)
kb@karenbrinkmann.com

For Project 8:

Phillip R. Marchesiello
Jennifer L. Kostyu
WILKINSON BARKER KNAUER, LLP
1800 M Street, N.W., Suite 800N
Washington, DC 20036
202-783-4141 (tel.)
202-783-5851 (fax)
pmarchesiello@wbklaw.com
jkostyu@wbklaw.com

Richard R. Cameron
CAMERON LAW & POLICY LLC
2550 M Street, N.W., Suite 319
Washington, D.C. 20037
202-230-4962 (tel.)
Richard@CameronLawPolicy.com

with a copy to:

Leonard A. Steinberg
Senior Vice President & General Counsel
ALASKA COMMUNICATIONS SYSTEMS
GROUP, INC.
600 Telephone Avenue
Anchorage, Alaska 99503
907-297-3105 (tel.)

with a copy to:

Mary Mabey
Douglas J. Minster
ATN INTERNATIONAL, INC.
500 Cummings Center, Suite 2450
Beverly, MA 01915
978-619-1300 (tel.)
mmabey@atni.com
dminster@atni.com

Alaska Communications does not directly hold any international Section 214 authorizations, but two Operating Subsidiaries do: both ACS Long Distance, LLC (“ACS Long Distance”) (File No. ITC-214-19960612-00248) and Northstar License Corporation (“Northstar”) (File No. ITC-214-20000330-00209) hold international Section 214 authority to provide global resold telecommunications services between the United States and international points.

Neither Project 8 nor ATN directly holds any international Section 214 authorizations. ATN directly or indirectly controls multiple subsidiaries that hold international Section 214 authority to provide international telecommunications services.³

³ The ATN subsidiaries that hold international Section 214 authorizations include Choice Communications, LLC (File Nos. ITC-214-19971201-00749 and ITC-214-20021219-00604); Commnet Wireless, LLC (File No. ITC-214-20081113-00496); EssexTel, Inc. (File No. ITC-214-20110303-00065); SAL Spectrum, LLC (File No. ITC-214-20091123-00501); DTR Holdings LLC (File No. ITC-214-19990330-00206); and Vitelcom Cellular, Inc. d/b/a Innovative Wireless (File Nos. ITC-214-19930312-00048 and ITC-214-19990330-00207).

B. Post-Closing Ownership (Answer to Question 11 – Section 63.18(h))

Pursuant to Section 63.18(h) of the Commission’s rules, the entities described below will directly or indirectly hold a 10 percent or greater ownership interest in Alaska Communications and the Operating Subsidiaries upon consummation of the Transaction:

Name: Project 8 Buyer, LLC (“Project 8”)
Address: c/o ATN International, Inc.
500 Cummings Center, Suite 2450
Beverly, MA 01915
Citizenship: Delaware
Principal Business: Holding Company
Ownership Interest: 100 percent voting and equity interest in Alaska Communications

Name: ALSK Holdings, LLC (“ALSK Holdings”)
Address: c/o ATN International, Inc.
500 Cummings Center, Suite 2450
Beverly, MA 01915
Citizenship: Delaware
Principal Business: Holding Company
Ownership Interest: 100 percent voting and equity interest in Project 8

Name: ATN International, Inc. (“ATN”)⁴
Address: 500 Cummings Center, Suite 2450
Beverly, MA 01915
Citizenship: Delaware
Principal Business: Telecommunications provider
Ownership Interest: 52 percent voting and 50.6 percent equity interest in ALSK Holdings⁵

⁴ No ATN shareholder other than Cornelius Prior and Blackrock Fund Advisors holds a direct or indirect voting or equity interest in ATN of 10 percent or more or that represents a 10 percent or greater direct or indirect voting or equity interest in Alaska Communications.

⁵ ALSK Holdings will issue 52 percent of its voting common interests to ATN and 48 percent of its voting common interests to F3C AK, LLC (“F3C AK”), a wholly owned and controlled subsidiary of Freedom 3 Investments IV, LP (“Freedom”), and ALSK Holdings will issue 50 percent of its preferred interests to each of ATN and Freedom. When combining the equity value of each party’s common and preferred interest, ATN will hold a 50.67 percent equity interest in ALSK Holdings and Freedom, direct and through its wholly owned subsidiary F3C AK, will hold a 49.43 percent equity interest in ALSK Holdings.

Name: Cornelius Prior
Address: c/o ATN International, Inc.
500 Cummings Center, Suite 2450
Beverly, MA 01915
Citizenship: U.S.
Principal Business: Investor
Ownership Interest: 26.4 percent voting and equity interest in ATN

Name: Blackrock Fund Advisors
Address: c/o ATN International, Inc.
500 Cummings Center, Suite 2450
Beverly, MA 01915
Citizenship: U.S.
Principal Business: Investor
Ownership Interest: 10.1 percent voting and equity interest in ATN

Name: F3C AK, LLC (“F3C AK”)
Address: 12 East 49th Street, 27th Floor
New York, NY 10017
Citizenship: Delaware
Principal Business: Holding company
Ownership Interest: 48 percent voting and 15.9 percent equity interest in ALSK Holdings⁶

Name: Freedom 3 Investments IV, LP (“Freedom”)⁷
Address: 12 East 49th Street, 27th Floor
New York, NY 10017
Citizenship: Delaware
Principal Business: Managed fund
Ownership Interest: 100 percent voting and equity in F3C AK and 33.4 percent equity interest in ALSK Holdings⁸

⁶ See *supra* n.5. The 48 percent of ALSK Holdings’ common interests held by F3C AK represents approximately 15.9 percent of the total equity interest in ALSK Holdings.

⁷ Pursuant to the organizational documents of Freedom, its limited partner passive investors, which (other than Feeder-A and Feeder-B described below) are high-net worth individuals, their investment vehicles, and insurance companies and all of which are U.S. citizens or U.S. organized entities (collectively “Freedom Investors”), are not engaged, and have no active involvement, in the management or operation of Freedom. No Freedom Investor other than Feeder-A and Feeder-B hold a direct or indirect voting or equity interest in Freedom of 10 percent or more or that represents a 10 percent or greater direct or indirect voting or equity interest in Alaska Communications.

⁸ See *supra* n.5. The 50 percent of ALSK Holdings’ non-voting preferred interests held by Freedom represent approximately 33.4 percent of the total equity interest in ALSK Holdings.

Name: F3 investments IV Rated Feeder-A, LLC (“Feeder-A”)⁹
Address: 12 East 49th Street, 27th Floor
New York, NY 10017
Citizenship: Delaware
Principal Business: Feeder fund
Ownership Interest: 76.3 percent voting and equity in Freedom¹⁰

⁹ Pursuant to the organizational documents of Feeder-A, DNS-F3C Fund IV, LLC (“DNS-F3C Fund IV”) (see below) and the other passive investor members of Feeder-A, which are high-net worth individuals, their investment vehicles, and insurance companies and all of which are U.S. citizens or U.S.-organized entities (collectively “Feeder-A Investors”), are not engaged, and have no active involvement, in the management or operation of Feeder-A. Although control of Feeder-A is solely exercised by Freedom 3 GP IV, LLC (“Freedom 3 GP”) as its managing member, and the Feeder-A Investors have no voting control over Feeder-A, consistent with the Commission’s policies, the Feeder-A Investors are treated herein as having a voting interest in Feeder-A equal to their equity interests. With the exception of DNS-F3C Fund IV, no individual Feeder-A Investor holds an indirect equity or voting interest in Feeder-A of 10 percent or more or that represents a 10 percent or greater direct or indirect voting or equity interest in Alaska Communications.

¹⁰ Pursuant to the organizational documents of Freedom, Feeder-A is not engaged, and has no active involvement, in the management or operation of Freedom. Although control of Freedom is solely exercised by Freedom 3 GP as its general partner and Freedom 3 Capital, LLC (“F3C”) as its investment manager, and Feeder-A has no voting control over Freedom, consistent with the Commission’s policies, Feeder-A is treated herein as having a voting interest in Freedom equal to its equity interests.

Name: F3 investments IV Rated Feeder-B, LLC (“Feeder-B”)¹¹
Address: 12 East 49th Street, 27th Floor
New York, NY 10017
Citizenship: Delaware
Principal Business: Feeder fund
Ownership Interest: 14.4 percent voting and equity in Freedom¹²

Name: DNS-F3C Fund IV, LLC (“DNS-F3C Fund IV”)
Address: 350 S. Main Avenue, Suite 402
Sioux Falls, South Dakota 57104
Citizenship: Delaware
Principal Business: Investment vehicle
Ownership Interest: 56.4 percent voting and equity in Feeder-A¹³

Name: DNS Venture Corp. (“DNS Venture”)
Address: 350 S. Main Avenue, Suite 402
Sioux Falls, South Dakota 57104
Citizenship: Delaware
Principal Business: Investment vehicle
Ownership Interest: 100 percent voting and 91.7 percent equity in DNS-F3C Fund IV

¹¹ Pursuant to the organizational documents of Feeder-B, its passive investors members, which are high-net worth individuals, their investment vehicles, and insurance companies and all of which are U.S. citizens or U.S. organized entities (collectively “Feeder-B Investors”), are not engaged, and have no active involvement, in the management or operation of Feeder-B. Although control of Feeder-B is solely exercised by Freedom 3 GP as its managing member, and the Feeder-B Investors have no voting control over Feeder-B, consistent with the Commission’s policies, the Feeder-B Investors are treated herein as having a voting interest in Feeder-B equal to their equity interests. No individual Feeder-B Investor holds an indirect equity or voting interest in Feeder-B of 10 percent or more or that represents a 10 percent or greater direct or indirect voting or equity interest in Alaska Communications.

¹² Pursuant to the organizational documents of Freedom, Feeder-B is not engaged, and has no active involvement, in the management or operation of Freedom. Although control of Freedom is solely exercised by Freedom 3 GP as it’s general partner and F3C as its investment manager, and Feeder-B has no voting control over Freedom, consistent with the Commission’s policies, Feeder-B is treated herein as having a voting interest in Freedom equal to its equity interests.

¹³ Pursuant to the organizational documents of Feeder-A, DNS-F3C Fund IV is not engaged, and has no active involvement, in the management or operation of Feeder-A. Although control of Feeder-A is solely exercised by Freedom 3 GP as its managing member, and DNS-F3C Fund IV has no voting control over Feeder-A, consistent with the Commission’s policies, the DNS-F3C Fund IV is treated herein as having a voting interest in Feeder-A equal to its equity interests.

Name: DNS Venture Partners, LLC (“DNS Partners”)
Address: 350 S. Main Avenue, Suite 402
Sioux Falls, South Dakota 57104
Citizenship: Delaware
Principal Business: Investment vehicle
Ownership Interest: 100 percent voting and equity in DNS Venture¹⁴ and DNS-F3C
(see below)

Name: Freedom 3 GP IV, LLC (“Freedom 3 GP”)¹⁵
Address: 12 East 49th Street, 27th Floor
New York, NY 10017
Citizenship: Delaware
Principal Business: Managed fund general partner
Ownership Interest: 100 percent voting and 0 percent equity in Feeder-A and Feeder-B
and 100 percent voting and less than 3 percent equity in Freedom

Name: Freedom 3 Capital, LLC (“F3C”)
Address: 12 East 49th Street, 27th Floor
New York, NY 10017
Citizenship: Delaware
Principal Business: Managed fund investment manager
Ownership Interest: 100 percent voting (i.e., investment discretion as investment
manager) and 0 percent equity interest in Freedom

Name: DNS-F3C, LLC (“DNS-F3C”)
Address: 350 S. Main Avenue, Suite 402
Sioux Falls, South Dakota 57104
Citizenship: Delaware
Principal Business: Investment vehicle
Ownership Interest: 17.5 percent voting and 17.5 percent equity in F3C

¹⁴ The members of DNS Partners are investment vehicle trusts established for the benefit of high-net worth individuals, and no individual trust holds an interest in DNS Partners sufficient to represent a 10 percent or greater indirect voting or equity interest in Alaska Communications.

¹⁵ Pursuant to the organizational documents of Freedom 3 GP, the passive investor members of Freedom 3 GP, which are high-net worth individuals, their investment vehicles, and insurance companies and all of which are U.S. citizens or U.S. organized entities (collectively “Freedom 3 GP Investors”) are not engaged, and have no active involvement, in the management or operation of Freedom 3 GP. Control of Freedom 3 GP is solely exercised by Jason Block and Daniel Tamkin by virtue of their being the managers of Freedom 3 GP. (They also are members.) Only two individual Freedom 3 GP investors hold an indirect equity or voting interest in Freedom 3 GP of 10 percent or more or that represents a 10 percent or greater direct or indirect voting or equity interest in Alaska Communications: Erik Glover (17.5 percent interest in Freedom 3 GP) and DNS-F3C Fund IV (15 percent interest).

Name: Jason Block and Daniel Tamkin
 Address: 12 East 49th Street, 27th Floor
 New York, NY 10017
 Citizenship: U.S.
 Principal Business: Fund managers
 Ownership Interest: 100 percent voting by virtue of their being the managers of Freedom 3 GP and 35 percent equity interest in Freedom 3 GP by virtue of their also being members

Name: Jason Block, Erik Glover, and Daniel Tamkin
 Address: 12 East 49th Street, 27th Floor
 New York, NY 10017
 Citizenship: U.S.
 Principal Business: Fund managing members
 Ownership Interest: 100 percent voting by virtue of their being the managing members of F3C and 80 percent equity interest in F3C

No other person or entity will hold a direct or indirect 10 percent or greater voting or equity interest in Alaska Communications and the Operating Subsidiaries post-closing.

Attachment B of Exhibit 1 includes organizational diagrams depicting the pre- and post-closing ownership structure of Alaska Communications and the Operating Subsidiaries.

C. Interlocking Directorates (Answer to Question 12 – 47 C.F.R. § 63.18(h))

The sole interlocking officers and directors responsive to Section 63.18(h) of the Commission’s rules are set forth below:

Director or Officer	Role with Project 8	Role with Foreign Carrier
Michael Prior	Director	Director – One Communications Ltd.
Brad Martin	Director	Vice President – One Communications Ltd. Director – Guyana Telephone and Telegraph Company Limited
Justin Benincasa	Director	Director, Vice President and Treasurer – One Communications Ltd. Director – Guyana Telephone and Telegraph Company Limited
Mary Mabey	Director	Director, Secretary – Guyana Telephone and Telegraph Company Limited

D. Narrative of Transfer of Control and Public Interest Statement (Answer to Question 13)

A description of the Transaction and a demonstration of how it will serve the public interest is attached as Exhibit 1.

E. Foreign Carrier Affiliates (Answers to Questions 14-17 – 47 C.F.R. §§ 63.18(i)-(m))

None of Project 8, ATN, Alaska Communications, or the Operating Subsidiaries are foreign carriers. Alaska Communications and the Operating Subsidiaries also are not currently affiliated with any foreign carriers. ATN, and thus Project 8, are currently affiliated with the following foreign carriers serving the markets set forth below:

Country	Affiliated Carrier
Bermuda	Bermuda Digital Communications Ltd.
Bermuda	Cable Co. Ltd.
Bermuda	Cedar Cable Ltd.
Bermuda	One Communications Ltd.
Cayman Islands	WestTel Limited, d/b/a Logic
Guyana	Guyana Telephone and Telegraph Company Limited

Upon consummation of the Transaction, Alaska Communications and the Operating Subsidiaries also will become affiliated with these foreign carriers.

Pursuant to 47 C.F.R. § 63.10(a), the Applicants request that the Operating Subsidiaries with international Section 214 authorizations – ACS Long Distance and Northstar – be given non-dominant regulatory treatment on all international routes except the U.S.-Guyana route. With respect to the U.S.-Bermuda and U.S.-Cayman Islands routes, the Commission should classify ACS Long Distance and Northstar as presumptively non-dominant. None of the foreign carrier affiliates in these markets has a market share of 50 percent or more in the respective international transport or local access markets in any of these jurisdictions. Moreover, none of

these carriers appears on the Commission's list of foreign carriers presumed to have market power in foreign telecommunications markets.¹⁶ The Commission has long treated Bermuda and the Cayman Islands as effective World Trade Organization ("WTO") members, as the U.S. Government treats all British overseas territories as subject to U.K. WTO commitments.¹⁷

With regard to the U.S.-Guyana route, Guyana is a WTO member and the Commission already regulates ATN as dominant on that route. The Applicants agree that ACS Long Distance and Northstar also will be regulated as dominant on the U.S.- Guyana route following the consummation of the Transaction, without prejudice to its right to petition for reclassification at a later date.¹⁸

F. Streamlined Processing (Answer to Question 20 – Section 63.12)

Although the Transaction qualifies for streamlined processing of the international Section 214 applications under 47 C.F.R. § 63.12(b)-(c), the Applicants do not request streamlined treatment given the many applications they have filed with the Commission in connection with

¹⁶ *International Bureau Revises and Reissues the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets*, Public Notice, 22 FCC Rcd. 945 (IB 2007).

¹⁷ *See, e.g., Cable & Wireless USA, Inc.*, Order, Authorization & Certificate, 15 FCC Rcd 3050, 3052 n.14 (IB 2000) (finding that Bermuda is subject to U.K. WTO commitments), citing Letter from Robert E. Dalton, Assistant Legal Adviser for Treaty Affairs, U.S. Department of State, to Rebecca Arbogast, Chief, Telecommunications Division, FCC International Bureau, File No. ITC-214-19990709-00412 (Feb. 16, 2000) (stating that "it remains the Department's position that, consistent with the Vienna Convention on the Law of Treaties and actions taken by the United Kingdom in accepting the WTO Agreement, the WTO Agreement applies to all British territories, including Bermuda and Gibraltar. The Office of the U.S. Trade Representative concurs in this view.").

¹⁸ This is consistent with the regulatory treatment afforded ATN's other U.S. subsidiaries. *See, e.g., International Authorizations Granted*, Public Notice, File No. ITC-214-20081113-00496, 23 FCC Rcd 18027 (2008).

the Transaction. Instead, the Applicants request a single, consolidated pleading cycle for consideration of all of the applications associated with the Transaction.

II. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES IN RELATION TO THE TRANSFER OF BLANKET DOMESTIC 214 AUTHORITY

The Applicants submit the following information, pursuant to 47 C.F.R. § 63.04, in support of their request for consent to transfer control to Project 8 of domestic telecommunications lines held by the Operating Subsidiaries.¹⁹

A. Section 63.04(a)(6) – Description of the transaction:

A description of the Transaction is set forth in Exhibit 1.

B. Section 63.04(a)(7) – Description of the geographic area in which the transferor and transferee offer domestic telecommunications services, and what services are provided in each area:

The following Operating Subsidiaries provide local exchange services in their respective service areas in Alaska: ACS of Alaska, LLC; ACS of Anchorage, LLC; ACS of Fairbanks, LLC; and ACS of the Northland, LLC. In addition, ACS Long Distance provides intrastate and interstate long distance services between Alaska and other states.

Project 8 does not provide any domestic telecommunications services. While ATN itself does not offer any domestic telecommunications services, its affiliates provide wholesale wireless or domestic fixed wireless consumer broadband Internet access services in the U.S. Virgin Islands, Arizona, California, Colorado, Montana, Nevada, New Mexico, Texas, Utah, and Wyoming, and domestic interstate, intrastate, and local exchange services in the U.S. Virgin Islands. Freedom does not provide any domestic telecommunications services, nor is it currently

¹⁹ Section 63.04(b) provides that applicants submitting a joint domestic/international Section 214 application should include the information requested in 47 C.F.R. § 63.04(a)(6) through (a)(12).

affiliated with any providers of domestic telecommunications services. Accordingly, the Transaction does not involve the overlap of the service areas of any domestic telecommunications service providers.

C. Section 63.04(a)(8) – Statement as to how the application qualifies for streamlined treatment:

Although the Transaction qualifies for streamlined processing of the domestic Section 214 application under 47 C.F.R. § 63.03(b), the Applicants do not request streamlined treatment given the many applications they have filed with the Commission in connection with the Transaction. Instead, the Applicants request a single, consolidated pleading cycle for consideration of all of the applications associated with the Transaction.

D. Section 63.04(a)(9) – Identification of all other Commission applications related to this transaction:

The Applicants provide a list of all related applications associated with the Transaction in Attachment A to Exhibit 1.

E. Section 63.04(a)(10) – Statement of whether the applicants request special consideration because either party is facing imminent business failure:

The Applicants do not request special consideration because no party to the Transaction is facing imminent business failure.

F. Section 63.04(a)(11) – Identification of any separately filed waiver requests being sought in conjunction with this application:

No separately filed waiver requests are being sought in conjunction with this application.

G. Section 63.04(a)(12) – Statement showing how grant of the application will serve the public interest, convenience and necessity:

A demonstration of how the Transaction will serve the public interest is set forth in Exhibit 1.

III. CONCLUSION

For the reasons stated above, the Applicants respectfully request that the Commission promptly approve the Transaction.

Respectfully submitted,

By: Alaska Communications Systems Group, Inc.,

Karen Brinkmann
KAREN BRINKMANN PLLC
1800 M Street, N.W., Suite 800N
Washington, DC 20036
202-365-0325 (tel.)
kb@karenbrinkmann.com

*Counsel to Alaska Communications
Systems Group, Inc.*

/s/ Leonard Steinberg
Leonard A. Steinberg
Senior Vice President & General Counsel
ALASKA COMMUNICATIONS SYSTEMS
GROUP, INC.
600 Telephone Avenue
Anchorage, Alaska 99503
907-297-3105 (tel.)

By: Project 8 Buyer, LLC

Phillip R. Marchesiello
Jennifer L. Kostyu
Wilkinson Barker Knauer, LLP
1800 M Street, N.W., Suite 800N
Washington, DC 20036
202-783-4141 (tel.)
202-783-5851 (fax)
pmarchesiello@wbklaw.com
jkostyu@wbklaw.com

Counsel to Project 8 Buyer, LLC

/s/ Mary Mabey
Mary Mabey
Secretary
PROJECT 8 BUYER, LLC
c/o ATN International, Inc.
500 Cummings Center, Suite 2450
Beverly, MA 01915
978-619-1300 (tel.)

January 19, 2021

EXHIBIT 1

Description of the Parties
Description of the Transaction
Public Interest Statement
Administrative Matters

TABLE OF CONTENTS

I.	INTRODUCTION AND SUMMARY	1
II.	DESCRIPTION OF THE PARTIES	3
	A. Alaska Communications and the Operating Subsidiaries	3
	B. Project 8	6
	C. ATN	6
	D. Freedom	8
III.	DESCRIPTION OF THE TRANSACTION	8
IV.	PUBLIC INTEREST STATEMENT	9
	A. The Transaction Will Generate Substantial Public Interest Benefits.....	10
	1. Alaska Communications’ Operations Will be Enhanced By ATN’s Strong Technical Qualifications and Extensive Experience in Rural and Underserved Markets	11
	2. Alaska Communications and Its Customers Will Benefit from the Financial Investments and Opportunities Created by the Transaction	13
	B. The Transaction Will Not Result in Any Public Interest Harms	14
	1. Customers Will Not be Negatively Affected by the Transaction	14
	2. The Transaction Will Enhance Rather Than Harm Competition.....	15
V.	ADMINISTRATIVE MATTERS.....	16
	A. Request for Approval of Additional Authorizations.....	16
	B. CBRS PAL Temporary Waiver Request for Purposes of Divestiture	17
	C. Exemption from Cut-Off Rules	19
	D. Unconstructed Facilities and Trafficking.....	20
	E. Related Governmental Filings	20
	F. <i>Ex Parte</i> Status.....	20
VI.	CONCLUSION.....	21
	A. Domestic Section 214 Authorizations:	22
	B. International Section 214 Authorizations:	22
	C. Earth Station Licenses:	22
	D. Submarine Cable Landing Licenses:	22
	E. Wireless Licenses:	23
ATTACHMENT A:	FCC LICENSES, LICENSEES, PENDING APPLICATIONS, AND TRANSACTION APPLICATIONS	
ATTACHMENT B:	PRE- AND POST-CLOSING ORGANIZATIONAL DIAGRAMS FOR ALASKA COMMUNICATIONS SYSTEMS GROUP, INC.	

I. INTRODUCTION AND SUMMARY

Alaska Communications Systems Group, Inc. (“Alaska Communications” or “Transferor”) and Project 8 Buyer, LLC (“Project 8” or “Transferee”) (together, the “Applicants”) request Federal Communications Commission (“FCC” or “Commission”) consent under Sections 214(a) and 310(d) of the Communications Act of 1934, as amended (the “Communications Act”),¹ and An Act Relating to the Landing and Operation of Submarine Cables in the United States (the “Cable Landing License Act”),² to transfer control of the FCC licenses and authorizations (the “FCC Licenses”) held by Alaska Communications’ operating subsidiaries (“Operating Subsidiaries”) from Alaska Communications to Project 8. The Transaction contemplates the transfer of control of domestic and international Section 214 authorizations, terrestrial wireless licenses, cable landing licenses, and a non-common carrier earth station license.³

Alaska Communications is a publicly traded corporation that, through its Operating Subsidiaries, is a leading provider of telecommunications and broadband services in Alaska. Project 8, a newly formed holding company created by ATN International, Inc. (“ATN”) and its financial partner Freedom 3 Investments IV, LP (“Freedom”), is majority owned and controlled by ATN, which, like Alaska Communications, is a publicly traded corporation. Pursuant to an Agreement and Plan of Merger, Project 8 will acquire Alaska Communications and its Operating Subsidiaries (the “Transaction”). Thus, following consummation of the Transaction, control of

¹ 47 U.S.C. §§ 214, 310; *see also* 47 C.F.R. §§ 1.948, 25.119, 63.03, 63.24.

² 47 U.S.C. §§ 34-39, Executive Order No. 10530, reprinted as amended in 3 U.S.C. § 301; 47 C.F.R. § 1.767(a)(11).

³ Attachment A includes a list of the FCC applications that are being submitted in connection with the Transaction (“Applications”), as well as a list of the FCC Licenses subject to the Applications and the licensee of each such FCC License.

Alaska Communications will continue to be held by a widely dispersed group of public shareholders.

The public interest will be served by the Transaction. ATN is a financially sound company with a long and successful history of providing communications services to insular and underserved markets in the United States, the Caribbean region, South America, and Bermuda. Freedom, in turn, has extensive investment experience promoting the successful growth of companies. Alaska Communications' operations in Alaska will benefit from the additional financial and managerial resources brought by ATN and Freedom that will support the long-term growth and operations of Alaska Communications in a region that faces unique challenges to constructing networks and providing services.

The Transaction also will have no anticompetitive effects because Project 8, ATN, Freedom, and their affiliates do not provide telecommunications services in Alaska.⁴ To the contrary, the Transaction will likely spur competition in the telecommunications sector in Alaska. In addition, the Transaction will be seamless and transparent to Alaska Communications' customers. Because the Transaction will bring significant public interest benefits and will not result in any harm, the Commission should expeditiously approve it.

⁴ Project 8, ATN, and Freedom also do not provide overlapping telecommunications services in the markets outside of Alaska where Alaska Communications has limited operations—at Alaska Communications' submarine cable landing stations and points-of-presence in Oregon and Washington state. An ATN subsidiary provides private LTE services to a single customer in a single building on the Olympic Peninsula outside of Seattle, but this service does not compete with Alaska Communications, which does not serve any wholesale or retail customers in Washington state. In addition, an ATN subsidiary provides mobile services in the far southeastern corner of Oregon. By contrast, Alaska Communications does not provide any mobile services and does not provide any services in the southeastern corner of Oregon. Alaska Communications' Oregon service footprint is limited to the western Oregon coastal region.

II. DESCRIPTION OF THE PARTIES

A. Alaska Communications and the Operating Subsidiaries

Alaska Communications (with its predecessors) has a 100-year history of delivering high-quality communications services to Alaska residents, businesses, government agencies and institutions. Serving the Municipality of Anchorage as well as many rural areas and 49 Bush⁵ communities throughout the state, the company has expanded and upgraded its telephone network through the decades to enable the provision of not only reliable voice and advanced information services but also high-speed broadband services meeting the needs of customers in the digital age. Even during the present pandemic, Alaska Communications has expanded its broadband footprint to previously unserved communities, extended advanced services to enable the delivery of remote tele-health services, and helped the state's schools and higher educational institutions become distance-learning capable. Although the company faces robust competition from both wireline and wireless competitors, Alaska Communications remains a leading provider of a wide range of telecommunications and broadband services in Alaska.

Local Exchange Services. Alaska Communications' local exchange subsidiaries provide facilities-based local exchange services in a number of areas in Alaska, all of which are rural for purposes of the Communications Act, with the sole exception of the Municipality of Anchorage, which is the only urban area in the state.

- ACS of Alaska, LLC is an incumbent local exchange carrier ("ILEC") that serves two study areas that encompass (1) the City and Borough of Juneau (the Juneau

⁵ Areas of Alaska considered to be "Bush" are those that are not accessible by the state's road system, and they also typically lack access to a regional interconnected power grid. Such communities are accessible only by plane, boat, barge, or snow-machine, and communications facilities deployed there may require an independent power source.

Study Area) and (2) Eielson Air Force Base and Fort Wainwright (the Greatland Study Area).

- ACS of Fairbanks, LLC, also an ILEC, serves the City of Fairbanks and certain nearby areas.
- ACS of the Northland, LLC is an ILEC that serves two study areas: (1) Sitka Borough and certain non-contiguous Bush areas, including part of Prince of Wales Island, Yakutat, Northway, Border City, and parts of the Aleutian Island chain (the Sitka Bush Study Area) and (2) Kenai, Soldotna, Kodiak, and areas outside Fairbanks, including Delta Junction, Nenana, and North Pole (the Glacier State Study Area).
- ACS of Anchorage, LLC is an ILEC serving the Anchorage area, including Joint Base Elmendorf-Richardson, and certain small communities such as Girdwood and Hope.

All four ILECs are certificated to provide telecommunication by the Regulatory Commission of Alaska (“RCA”).

Interexchange Services. ACS Long Distance, LLC (“ACS-LD”) provides long-distance telecommunications services within Alaska, and between Alaska and other states, using a combination of its own facilities and those of other facilities-based carriers.⁶

Broadband Internet Access Services (“BIAS”) and Business Data Services (“BDS”).

Alaska Communications provides BIAS and BDS to residential, enterprise, and wholesale

⁶ Another Operating Subsidiary, Alaska Fiber Star, LLC, has a certificate from the RCA to provide local exchange and intrastate interexchange telecommunications services in Alaska, as a competitive carrier, but has never actually provided any intrastate or interstate telecommunications services. As such, it has no Section 214 authority under the Commission’s rules. *See* 47 C.F.R. §63.01(a).

customers throughout much of its ILEC study areas and in a variety of other locations in Alaska. Alaska Communications provides these services through a combination of its ILEC Operating Subsidiaries, ACS-LD, and Alaska Communications Internet, LLC (“ACS Internet”). In addition, ACS Internet offers limited wholesale service (such as terrestrial and undersea cable capacity) to carrier-customers in Oregon, on a private (non-common carrier) contractual basis. ACS Internet also offers voice-over-Internet-protocol (“VoIP”) services to its BIAS and BDS customers. ACS Internet is a licensee of a transmit/receive earth station license authorizing communications with U.S.-authorized fixed satellites.

Wireless Licenses. Alaska Communications provides no mobile wireless services to the public. Through its Operating Subsidiaries the company has fixed wireless service licenses that are used by the entities described above in the completion of local exchange and interexchange telecommunications services, as well as BIAS and BDS services, particularly in rural and remote areas where the company is deploying broadband services to previously unserved locations.

Undersea Cable Services. Through its two U.S. domestic undersea cable systems, the AKORN and NorthStar Cable Systems, Alaska Communications offers wholesale fiber optic cable capacity between Alaska and Oregon by lease or sale of indefeasible rights of use (“IRU”). The systems also are used by ACS-LD and ACS Internet to complete transmissions of telecommunications and information services between Alaska and the contiguous United States. The AKORN Cable System is operated by ACS Cable Systems, LLC. The NorthStar Cable System is operated by Northstar License Corporation, a subsidiary of Alaska Northstar Communications, LLC.

Attachment B provides a simplified organizational chart indicating the relationships among Alaska Communications and the Operating Subsidiaries described herein.

B. Project 8

Project 8 is a Delaware limited liability company. It is a newly formed holding company created by ATN and Freedom for purposes of acquiring Alaska Communications. Project 8 is a wholly owned subsidiary of a newly formed company, ALSK Holdings, LLC (“ALSK Holdings”), a Delaware limited liability company. ATN, which will control Project 8 through ALSK Holdings, will hold a direct 52 percent voting interest and 50.67 percent equity interest and in ALSK Holdings. Freedom, directly and indirectly through its wholly owned subsidiary F3C AK, LLC (“F3C AK”), will hold a 48 percent voting interest and 49.43 percent equity interest in ALSK Holdings.⁷ ATN will appoint three of ALSK Holdings’ five directors, and F3C AK will appoint the other two.

C. ATN

Founded in 1987, ATN is a Delaware corporation that is headquartered in Beverly, Massachusetts. ATN’s shares trade publicly on NASDAQ (Ticker Symbol: ATNI), and ATN has no controlling owner. ATN, operating through its domestic and international subsidiaries, is an experienced and financially disciplined retail and wholesale facilities-based carrier and telecommunications infrastructure provider. Working closely with regulators and local management, it has a long and successful history of providing communications service to

⁷ Specifically, in addition to bank financing to be secured by ATN and Freedom, ALSK Holdings will issue to ATN and F3C AK voting common interests (52 percent to ATN and 48 percent to F3C AK) and non-voting preferred interests (evenly split between ATN and F3C AK’s direct parent company Freedom). When combining the equity value of each these common and preferred interests, ATN will hold a 50.67 percent equity in ALSK Holdings and Freedom/F3C AK will hold a 49.43 percent equity interest.

insular and underserved markets in the United States, the Caribbean region, South America, and Bermuda, including rural, tribal, and island-based areas.

Through its operating subsidiaries, ATN provides advanced wireline and wireless voice and data services to retail residential and enterprise customers with a particular focus on markets that need significant infrastructure investment and improvements. These services include a wide range of mobile wireless solutions, local exchange services, BIAS, and video services, as well as wholesale communications infrastructure services such as terrestrial and submarine fiber optic transport, communications tower facilities, information technology managed services, and in-building systems. ATN also holds interests in several submarine cable systems serving the United States, the Caribbean region, South America, and Bermuda.

As noted above, ATN is publicly traded on the NASDAQ (Ticker Symbol: ATNI), and it will hold its indirect interest in Project 8 through ALSK Holdings, which wholly owns and controls Project 8. Two individuals hold an interest in ATN of ten percent or more: Cornelius B. Prior, Jr., a U.S. citizen, holds 26.4 percent of ATN's issued and outstanding stock, and BlackRock Fund Advisors, a U.S. global investment manager, holds 10.1 percent of ATN's issued and outstanding stock.⁸ No other entity or individual holds a direct or indirect voting or equity interest in ATN of ten percent or more.

⁸ See ATN International, Inc., Notice of 2020 Annual Meeting of Stockholders to be Held September 15, 2020, at 4 (Aug. 6, 2020), *available at* <https://www.sec.gov/Archives/edgar/data/879585/000104746920004421/a2241431zdef14a.htm>; BlackRock Inc., Form 13F (Nov. 6, 2020), *available at* <https://www.sec.gov/Archives/edgar/data/1364742/000142645920000005/0001426459-20-000005-index.htm>.

D. Freedom

Freedom is a Delaware limited partnership with headquarters in New York City, New York. Freedom and its affiliates invest in companies at inflection points, helping middle-market companies address strategic growth opportunities by delivering unique capital solutions.

Freedom invests in the debt and equity of middle-market companies through various tranches, including senior debt, subordinated debt, preferred equity, and common equity, with the majority of its funding of any particular investment taking the form of debt or preferred equity. Its investment process provides Freedom the flexibility to tailor investment structures to industry dynamics and a company's specific requirements and long-term business objectives. Its approach to investment creates valuable, lasting partnerships with stakeholders and management teams.

Freedom's investment in ALSK Holdings, the parent company of Project 8, will be held directly and through its wholly owned and controlled subsidiary F3C AK, a Delaware limited liability company. Freedom will hold non-voting preferred interests issued by ALSK Holdings, and F3C AK will hold voting common interests. Through a series of intermediate entities, Freedom ultimately is controlled by Jason Block, Erik Glover, and Daniel Tamkin, who are U.S. citizens, by virtue of their being the managers or managing members of the Freedom affiliates that have voting control and investment discretion over Freedom.

III. DESCRIPTION OF THE TRANSACTION

On December 31, 2020, Project 8 and its wholly owned direct subsidiary, Project 8 MergerSub, Inc. ("Merger Sub"), a Delaware corporation, entered into an Agreement and Plan of Merger ("Merger Agreement") with Alaska Communications pursuant to which Project 8 agreed to acquire Alaska Communications for cash at a price of \$3.40 per share, which equates to

approximately \$332 million.⁹ Under the Merger Agreement, Merger Sub would merge with and into Alaska Communications with the latter continuing as the surviving corporation and a wholly owned subsidiary of Project 8. Each share of Alaska Communications' common stock would be converted into the right to receive \$3.40 in cash from Project 8. The Merger Agreement conditions consummation of the Transaction on certain closing conditions, including, the approval of the Transaction by the FCC and the RCA¹⁰ and by Alaska Communications' stockholders, as well as the expiration or termination of the required waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act").¹¹

IV. PUBLIC INTEREST STATEMENT

Under Sections 214(a) and 310(d) of the Communications Act and the Cable Landing Licensing Act, the Commission must determine whether the Transaction is consistent with the public interest, convenience, and necessity.¹² The Commission considers the following factors when making its public interest assessment: (1) whether the transaction complies with the

⁹ See ATN International, Inc., ATNI International, Inc. Announces Agreement to Acquire Alaska Communications (Jan. 4, 2021), *available at* https://www.sec.gov/Archives/edgar/data/879585/000110465921000095/tm2039713d3_ex99-1.htm.

¹⁰ Notice will be given to the regulatory authorities of Oregon, where Alaska Communications maintains undersea cable landing stations, and Washington state, where Alaska Communications holds a fiber IRU. No prior consent is required from either of those states.

¹¹ See ATN International, Inc., Securities and Exchange Commission, Form 8-K (filed Jan. 4, 2021), *available at* https://www.sec.gov/ix?doc=/Archives/edgar/data/879585/000110465921000095/tm2039713d3_8k.htm.

¹² See, e.g., *Applications of Level 3 Communications, Inc. and CenturyLink, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 32 FCC Rcd 9581, 9585 ¶ 8 (2017) ("*Level 3-CenturyLink Order*"); *Applications of AT&T, Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9139-40 ¶ 18 (2015) ("*AT&T-DIRECTV Order*").

specific provisions of the Communications Act, other applicable statutes, and the Commission's rules; (2) whether the transaction could result in public interest harms by substantially frustrating or impairing the Commission's implementation or enforcement of the Communications Act or interfere with the objectives of that and other statutes; and (3) whether the transaction will yield affirmative public interest benefits.¹³

The Transaction satisfies each prong of the Commission's public interest test. The Applications and accompanying materials show that the Transaction satisfies the first prong because it complies with the provisions of the Communications Act, other statutes, and the Commission's rules. With respect to the remaining two prongs, the Transaction will not result in any public interest harms and will yield significant public interest benefits. It will not frustrate or otherwise interfere with the objectives of the Communications Act or other statutes, but rather will yield substantial public interest benefits. Further, the Commission "has long recognized the clear public interest benefits in a license or authorization holder being able to assign or transfer control of its license or authorization freely."¹⁴ The Commission should therefore expeditiously approve the Transaction.

A. The Transaction Will Generate Substantial Public Interest Benefits

In considering the public interest benefits of the Transaction, it is important to recognize the unique challenges of providing communications services in Alaska. As the Commission has long recognized, Alaska presents "uniquely challenging operating conditions."¹⁵ Those

¹³ See, e.g., *Level 3-CenturyLink Order*, 32 FCC Rcd at 9585-86 ¶¶ 8-10; *AT&T-DIRECTV Order*, 30 FCC Rcd at 9139-40 ¶ 18.

¹⁴ *Level 3-CenturyLink Order*, 32 FCC Rcd at 9586 ¶ 10.

¹⁵ *Connect America Fund*, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 10139, 10140 ¶ 2 (2016) (internal citations omitted).

conditions include its “remoteness, lack of roads, challenges and costs associated with transporting fuel, lack of scalability per community, satellite and backhaul availability, extreme weather conditions, challenging topography, and short construction season.”¹⁶ The size, location, varied and challenging terrain, dispersed population, lack of road access, and climate of Alaska make it expensive and difficult to design, build, and maintain outdoor facilities, and maintain consistent service quality across all geographic service areas.

1. Alaska Communications’ Operations Will be Enhanced By ATN’s Strong Technical Qualifications and Extensive Experience in Rural and Underserved Markets

ATN has significant expertise deploying, upgrading, maintaining, and operating communications networks and service businesses in rural, tribal, island-based, and other insular and underserved markets in the United States, the Caribbean region, South America, and Bermuda. ATN is uniquely qualified to control Alaska Communications based on its dedication to serving rural and underserved markets and its proven track record of deploying new technologies in those markets. Indeed, ATN is well aware of, and experienced with, the operational and other difficulties presented by serving such communities. Combining ATN’s expertise with that of Alaska Communications’ existing staff will significantly enhance the operations of the Operating Subsidiaries in Alaska.

For example, through its affiliates, ATN has extensive experience providing facilities-based advanced wireless services to rural and underserved populations in the Southwest United States, including to more than 27,000 square miles of Tribal land. It also previously provided facilities-based retail and wholesale wireline services in the Northeastern United States, where it constructed an extensive fiber wireline network to bring high-quality broadband and other data

¹⁶ *Id.* at 10162 ¶ 72 (internal citations omitted).

services to small towns, rural areas, and community institutions that are often overlooked in the construction of advanced wireline networks, although ATN has since divested this business.

In the Caribbean region, through its affiliates ATN provides a combination of voice, broadband data and Internet, wireless, video, and cable television services in the U.S. Virgin Islands, Bermuda, and the Cayman Islands. In Guyana, where it has operated for 30 years, ATN is the incumbent local exchange provider and operates a wireless network, offering domestic wireline local and long-distance telephone, international voice and data, broadband Internet access, and wireless services.

ATN's track record in deploying new technologies in rural and underserved markets is well established. For example, ATN was the first carrier to deploy cellular, broadband, and fiber-optic networks in Guyana. It also built the first submarine cable network in the region connecting Trinidad and Tobago, Suriname, Guyana, and the United States. ATN's Bermuda subsidiary was the third entrant in the late 1990s. It intended to increase competition to the entrenched large providers and was the first carrier to deploy 3G and 4G LTE wireless technologies in Bermuda. It is now Bermuda's market leader. ATN has continuously expanded and improved its U.S. and international wireless networks, upgrading to advanced 4G LTE data technology and deploying Voice Over LTE ("VoLTE") technology in many markets. It also plans to test 5G services in various markets.

ATN also has a history of successfully utilizing universal service funds to expand its networks and services consistent with the goals of the Commission's universal service programs. For example, universal service funds awarded to ATN's affiliates from the Commission's High-Cost, Mobility Fund, and Connect America Fund ("CAF") programs, along with private

investment, support expansion of broadband and mobile services by ATN in rural areas of the Southwestern United States.

The Applicants are committed to Alaska Communications fulfilling its obligations to rural and other underserved populations under the CAF Phase II program, E-rate, and other FCC universal service programs. The resources and experience that ATN brings to the company will enhance Alaska Communications' ability to meet those goals.

2. Alaska Communications and Its Customers Will Benefit from the Financial Investments and Opportunities Created by the Transaction

From a financial perspective, the Transaction will offer significant benefits to Alaska Communications and its customers. ATN is a financially strong company and well qualified to control Alaska Communications. It has a strong balance sheet and limited leverage.¹⁷ Further, ATN's conservative approach to investment permits it to access the capital needed to invest in and grow its existing businesses. ATN's financial strength will be complemented by the access to capital of Freedom, as well as Freedom's substantial expertise funding and managing projects in the communications infrastructure space.

ATN takes a long-term ownership outlook regarding its businesses and believes that this involves building connections within the local community. Whenever feasible, ATN relies on local resources, including local management teams who have a successful track record or have extensive knowledge of the industry and the particular market. Indeed, a key component of ATN's long-term strategy is to develop strong local brand identities and a robust local presence.

¹⁷ ATN International, Inc., SEC Form 10-K (Mar. 2, 2020), *available at* https://www.sec.gov/ix?doc=/Archives/edgar/data/879585/000110465920053257/tm2017860-2_10ka.htm; ATN International, Inc., SEC Form 10-Q, at 4-9 (Nov. 4, 2020), *available at* <https://www.sec.gov/ix?doc=/Archives/edgar/data/879585/000155837020012564/atni-20200930x10q.htm>.

ATN believes that relying on qualified management who have expertise in the telecommunications industry, reside locally, are knowledgeable about issues of interest to the local population, and are active in their communities will enhance Alaska Communications' ability to respond to consumers' needs at the local level.

The Transaction will provide Alaska Communications with access to significant capital resources needed to upgrade networks and offer innovative services at competitive prices. ATN expects that ATN, Freedom, and Alaska Communications together will have greater scale and, consequently, greater purchasing power with equipment and software vendors. Thus, the Transaction will lead to a financially stronger and more competitive service provider, delivering real benefits to all stakeholders by improving access and connectivity and promoting modern, enhanced services to consumers. This, in turn, will contribute to the economic and social well-being of Alaskans by supporting local businesses and access to employment, educational, and health care opportunities.

B. The Transaction Will Not Result in Any Public Interest Harms

1. Customers Will Not be Negatively Affected by the Transaction

The Transaction will be seamless and transparent to customers.¹⁸ The Applicants have no plans at this time to change the Alaska Communications brand, and the Operating Subsidiaries will continue to provide services in the normal course without interruption at the same rates,

¹⁸ The Transaction does not raise any “slamming” concerns or necessitate compliance with procedures to notify customers prior to a carrier-to-carrier sale or transfer of subscribers as it does not involve a change in any customer’s existing service provider. The customers of each Licensee will remain with their carrier and will continue to be served under such Licensee’s existing authorizations. Accordingly, there are no changes in customers’ preferred carrier, and no further filings or authorizations are required under the FCC’s carrier selection rules (47 C.F.R. § 64.1120) or under analogous state rules.

terms, and conditions that existed before the Transaction was consummated.¹⁹ Customers will not be forced to change accounts or telephone numbers, and they will continue to pay their bills in the same places and in the same manner as they currently do.

2. The Transaction Will Enhance Rather Than Harm Competition

The Transaction will not result in any competitive harm, and will instead enhance competition. ATN, Freedom, and their affiliates do not compete with Alaska Communications in the provision of any telecommunications or broadband communications offerings. Indeed, neither ATN nor Freedom has any market presence in Alaska, and neither provides overlapping telecommunications services in the markets outside of Alaska where Alaska Communications has limited facilities-based operations, namely, at Alaska Communication's cable landing stations and points-of-presence in Oregon and Washington state.²⁰ Consummation of the Transaction will therefore not reduce the number of service providers or competition in any market.²¹

Instead, the Transaction will enhance competition in Alaska Communications' service territories. As the Commission has long recognized, robust competition facilitates improved

¹⁹ Any future changes in the rates, terms, or conditions of service will be effectuated consistent with applicable federal and state requirements.

²⁰ Indeed, Alaska Communications serves no customers in Washington state. *See supra* n. 4.

²¹ *See, e.g., Applications Filed by Frontier Communications Corp. and AT&T Inc. for the Assignment or Transfer of Control of the Southern New England Telephone Company and SNET America, Inc.*, Memorandum Opinion and Order, 29 FCC Rcd 9203, 9208 ¶ 14 (2014) (concluding that Frontier's acquisition of AT&T's ILEC business in Connecticut "is unlikely to have adverse effects on existing competition" because the companies "do not currently compete against each other in the transaction market area [and] the transaction does not reduce the number of service providers").

service, more choices, and new products.²² As described above, the Transaction will give Alaska Communications access to greater financial and other resources that will improve its ability to expand its network and offer high-quality and robust products to customers. Competition, in turn, will be enhanced, as competitors in Alaska are compelled to improve their services and prices in response to Alaska Communications' expanded service offerings.

V. ADMINISTRATIVE MATTERS

A. Request for Approval of Additional Authorizations

The Applications are intended to seek Commission approval for the transfer of control of all FCC Licenses currently controlled by Alaska Communications through its Operating Subsidiaries. The Operating Subsidiaries, however, now have on file, and may hereafter file, additional requests for authorizations for new or modified facilities, which may be granted before the Commission takes action on these Applications. Accordingly, the Applicants request that the Commission approval of the Applications filed in connection with the Transaction include authority for Project 8 to acquire control of the following:

- Any license or authorization issued to an Operating Subsidiary during the Commission's consideration of the Applications and the period required for consummation of the Transaction following approval, other than the 3.5 GHz band Citizens Broadband Radio Services ("CBRS") Priority Access Licenses ("PALs") won by an Operating Subsidiary in Auction No. 105.²³

²² See, e.g., *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations by Time Warner Inc. and America Online, Inc. to AOL Time Warner, Inc.*, Memorandum Opinion and Order, 18 FCC Rcd 16835, 16839-40 ¶ 12 (2003) (stating that "the Commission has continually recognized competition as an important policy objective for communications services, bringing consumer benefits of increased choice, lower prices, improved service, and new product offerings." (citation omitted)).

²³ ACS Internet was the winning bidder of the CBRS PALs set forth in Attachment A. See also *Auction of Priority Access Licenses in the 3550-3650 MHz Band Closes, Winning Bidders Announced for Auction 105*, Public Notice, AU Docket No. 19-244, DA 20-1009 (rel. Sept. 2, 2020). On September 17, 2020, ACS Internet filed long-form applications in connection with its winning PALs bids, but the licenses have not yet been issued by the Commission. No comments

- Any construction permits held by an Operating Subsidiary that mature into licenses after closing.
- Applications that are filed after the date of these Applications and that are pending at the time of consummation.

Such authorization would be consistent with Commission precedent.²⁴ Moreover, the Applicants request that the Commission’s approval of the Applications include any licenses, facilities, or authorizations that may have been inadvertently omitted.

B. CBRS PAL Temporary Waiver Request for Purposes of Divestiture

The FCC has adopted a 40 megahertz per county aggregation limit for the CBRS band.²⁵ In Auction 105, Alaska Communication’s affiliate ACS Internet won four 10 megahertz CBRS PALs in Kenai Peninsula Borough, Alaska,²⁶ and ATN affiliate SAL Spectrum, LLC (“SAL”) won one PAL in that license area. Each affiliate has filed a Form 601 long-form license

on, or petitions to deny, ACS Internet’s long-form applications were filed by the December 14, 2020 deadline. Because the Applicants anticipate that they will not consummate the Transaction prior to the issuance of these licenses, ACS Internet does not intend to file an amendment to its long-form application to reflect the Transaction. Instead, following the issuance of the PALs by the Commission, the Applicants intend to file an FCC Form 603 transfer of control application in connection with the newly issued PALs.

²⁴ See, e.g., *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corp. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 19 FCC Rcd 21522, 21626 ¶ 275 (2004) (“*AT&T-Cingular Order*”); *Application of WorldCom, Inc., and MCI Communications Corp. for Transfer of Control of MCI Communications Corp. to WorldCom, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 18025, 18153 ¶ 226 (1998); *NYNEX Corp. and Bell Atlantic Corp. for Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries*, Memorandum Opinion and Order, 12 FCC Rcd 19985, 20097 ¶ 247 (1997); *Craig O. McCaw and Am. Tel. and Telegraph Co. for Consent to the Transfer of Control of McCaw Cellular Communications, Inc. and its Subsidiaries*, Memorandum Opinion and Order, 9 FCC Rcd 5836, 5909 ¶ 137 n.300 (1994) (“*McCaw-AT&T Order*”).

²⁵ 47 C.F.R. § 96.31.

²⁶ See *supra* n. 23.

application, which is now pending before the Commission.²⁷ Assuming that the Commission grants these applications prior to acting on the Applications, consummation of the proposed Transaction would result in ATN ultimately controlling 50 megahertz of PALs in Kenai Peninsula Borough.

The Applicants request a temporary waiver of Section 96.31 of the Commission's rules to allow ATN to control 50 MHz of PALs for a temporary period to provide ATN with an opportunity to sell a 10 MHz PAL in Kenai Peninsula Borough to bring it into compliance with the Commission's rules. ATN commits to filing an application (or applications) with the Commission to assign or transfer control of at least one of the ACS Internet or SAL PALs in Kenai Peninsula Borough (the "Divestiture Assets").

The FCC did not adopt a rule specifying the appropriate time period for such a divestiture of a CBRS PAL. Due to the potential challenge of divesting a single 10 megahertz PAL in a single borough in Alaska, ATN requests that the divestiture period ("Divestiture Period") be 12 months from the later of (1) the release date of the Commission's order granting the proposed Transaction, and (2) the last date on which the Commission grants to SAL or ACS Internet a PAL for Kenai Peninsula Borough. In addition, ATN requests that any Commission order approving the Transaction explicitly provide that the Bureau may grant one or more extensions of the Divestiture Period, not to exceed 120 days in the aggregate, to allow the Applicants further time to dispose of the Divestiture Assets. The Applicants believe that the requested Divestiture Period is reasonable in these circumstances.

²⁷ See ULS File Nos. 0009226321 (ACS Internet) and 0009223630 (SAL).

C. Exemption from Cut-Off Rules

Pursuant to Sections 1.927(h), 1.929(a)(2), and 1.933(b) of the Commission's rules,²⁸ to the extent necessary,²⁹ the Applicants request a blanket exemption from any applicable cut-off rules in cases where the Applicants file amendments to pending applications to reflect consummation of the Transaction (except with respect to the CBRS PALs as set forth above). This exemption is requested so that amendments to pending applications to report the change in control of these licenses would not be treated as major amendments. The Applications demonstrate that the ownership change would not be made for the acquisition of any particular pending application, but as part of a larger transaction undertaken for an independent and legitimate business purpose. Grant of such an exemption would be consistent with previous Commission decisions routinely granting a blanket exemption in cases involving similar transactions.³⁰

²⁸ 47 C.F.R. §§ 1.927(h), 1.929(a)(2), and 1.933(b).

²⁹ See *Sprint Nextel Corp. and Clearwire Corp. Applications for Consent to Transfer Control of Licenses, Leases, and Authorizations*, Memorandum Opinion and Order, 23 FCC Rcd 17570, 17611 ¶ 105 (2008) (“*Sprint-Clearwire Order*”). With respect to cut-off rules under Sections 1.927(h) and 1.929(a)(2), the Commission previously has found that the public notice announcing a transaction will provide adequate notice to the public with respect to the licenses involved, including for any license modifications pending. In such cases, it determined that a blanket exemption of the cut-off rules was unnecessary. See *Ameritech Corp. and GTE Consumer Services Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 15 FCC Rcd 6667, 6668 ¶ 2 n.6 (WTB 1999); *Comcast Cellular Holdings, Co. and SBC Communications, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 14 FCC Rcd 10604, 10604-05 ¶ 2 n.3 (WTB 1999).

³⁰ See, e.g., *Sprint-Clearwire Order*, 23 FCC Rcd at 17611 ¶ 105; *AT&T-Cingular Order*, 19 FCC Rcd at 21626 ¶ 275; *PacifiCorp Holdings, Inc. and Century Tel. Enterprises, Inc. for Consent to Transfer Control of Pacific Telecom, Inc., a Subsidiary of PacifiCorp Holdings, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 8891, 8915-16 ¶ 47 (WTB 1997); *McCaw-AT&T Order*, 9 FCC Rcd at 5909 ¶ 137 n.300.

D. Unconstructed Facilities and Trafficking

To the extent authorizations for unconstructed systems are covered by these Applications, these authorizations are merely incidental, with no separate payment being made for any individual authorization or facility. Accordingly, the Transaction raises no trafficking issues, and there is no reason to review the Transaction for trafficking.

E. Related Governmental Filings

In connection with this Transaction, the Applicants will file a pre-merger notification with the U.S. Department of Justice and the Federal Trade Commission pursuant to the HSR Act and associated regulations.³¹ The Applicants will file applications or notifications regarding the Transaction, as appropriate, with the RCA, Oregon Public Utility Commission, and Washington Utilities and Transportation Commission.³²

F. *Ex Parte* Status

The Applicants request that the Commission treat this proceeding as permit-but-disclose pursuant to Section 1.1206 of the Commission's rules.³³ The public interest in expeditiously considering these Applications would be served by the flexibility permitted by permit-but-disclose procedures.³⁴

³¹ 15 U.S.C. § 18a; 16 C.F.R. Subchapter H.

³² *See supra* n.10.

³³ *See* 47 C.F.R. § 1.1206.

³⁴ Pursuant to Section 1.1200(a) of the Commission's rules, the Commission may adopt modified *ex parte* procedures in particular proceedings if the public interest so requires. *See* 47 C.F.R. § 1.1200(a).

VI. CONCLUSION

For the reasons set forth herein, the Applicants respectfully submit that the grant of these Applications will serve the public interest, convenience, and necessity and thus warrants prompt Commission approval.

ATTACHMENT A

**FCC LICENSES, LICENSEES, PENDING CBRS PALS APPLICATIONS,
AND TRANSACTION APPLICATIONS**

I. FCC Licenses and Authorizations

A. Domestic Section 214 Authorizations:

Licensee	Place of Organization	FRN
ACS of Alaska, LLC	Alaska	0022389548
ACS of Anchorage, LLC	Delaware	0022389829
ACS of Fairbanks, LLC	Alaska	0022389811
ACS of the Northland, LLC	Alaska	0022389555
ACS Long Distance, LLC	Alaska	0022389860

B. International Section 214 Authorizations:

Licensee	File Number	FRN
ACS Long Distance, LLC	ITC-214-19960612-00248	0022389860
Northstar License Corporation	ITC-214-20000330-00209	0006041958

C. Earth Station Licenses:

Licensee	Call Sign	Type of License	FRN
Alaska Communications Internet, LLC	E170205	Non-Common Carrier Earth Station	0022389845

D. Submarine Cable Landing Licenses:

Licensee	File Number	FRN
ACS Cable Systems, LLC	SCL-LIC-20071025-00018	0022389837
Alaska Northstar Communications, LLC	SCL-LIC-19940617-00001	0006542088
Northstar License Corporation	SCL-LIC-19940617-00002	0006041958
	SCL-LIC-19960308-00001	
	SCL-MOD-20020725-00090	
	SCL-MOD-20020725-00091	

E. Wireless Licenses:

Licensee	Call Sign	Type of License	FRN
ACS Wireless License Sub, LLC	WMN700	Common Carrier Fixed Point to Point Microwave	0022388789
	WRAA718	Millimeter Wave 70/80/90 GHz	
	WHB63	Common Carrier Fixed Point to Point Microwave	
ACS of Anchorage License Sub, LLC	WLC603	Common Carrier Fixed Point to Point Microwave	0022388771
	WLC604	Common Carrier Fixed Point to Point Microwave	
	WLC605	Common Carrier Fixed Point to Point Microwave	
	WLC606	Common Carrier Fixed Point to Point Microwave	
	WQBU444	Common Carrier Fixed Point to Point Microwave	
	WQBU445	Common Carrier Fixed Point to Point Microwave	
	WMS884	Common Carrier Fixed Point to Point Microwave	
ACS of Fairbanks License Sub, LLC	WMS885	Common Carrier Fixed Point to Point Microwave	0022388755
	WPND459	Common Carrier Fixed Point to Point Microwave	
	WQZQ232	Common Carrier Fixed Point to Point Microwave	
	WQZQ233	Common Carrier Fixed Point to Point Microwave	
	WQZQ234	Common Carrier Fixed Point to Point Microwave	
	WQZQ235	Common Carrier Fixed Point to Point Microwave	
	WRCH789	Common Carrier Fixed Point to Point Microwave	
	WRCH790	Common Carrier Fixed Point to Point Microwave	
	WRCH992	Common Carrier Fixed Point to Point Microwave	
	WRCI704	Common Carrier Fixed Point to Point Microwave	
	WRCI706	Common Carrier Fixed Point to Point Microwave	

Licensee	Call Sign	Type of License	FRN
	WCCJ592	Common Carrier Fixed Point to Point Microwave	
	WRCJ662	Common Carrier Fixed Point to Point Microwave	
	WRCW629	Common Carrier Fixed Point to Point Microwave	
	WRJV516	Common Carrier Fixed Point to Point Microwave	
	WRJV517	Common Carrier Fixed Point to Point Microwave	
	WRJV518	Common Carrier Fixed Point to Point Microwave	
	WRJV519	Common Carrier Fixed Point to Point Microwave	
	WRJV520	Common Carrier Fixed Point to Point Microwave	
	WRJV521	Common Carrier Fixed Point to Point Microwave	
	WRJV522	Common Carrier Fixed Point to Point Microwave	
	WRJV523	Common Carrier Fixed Point to Point Microwave	
	KNKG791	Rural Radiotelephone	
ACS of the Northland License Sub, LLC	KNKH871	Rural Radiotelephone	0022388300
	KNKK780	Rural Radiotelephone	
	KNKL383	Rural Radiotelephone	
	KNKM848	Rural Radiotelephone	
	KNKO481	Rural Radiotelephone	
	KNKO755	Rural Radiotelephone	
	KNKP434	Rural Radiotelephone	
	KNLM933	BETRS	
	KWW96	Common Carrier Fixed Point to Point Microwave	
	KWW97	Common Carrier Fixed Point to Point Microwave	
	KWY80	Rural Radiotelephone	
	WBB818	Rural Radiotelephone	
	WLA343	Common Carrier Fixed Point to Point Microwave	

Licensee	Call Sign	Type of License	FRN
	WLA344	Common Carrier Fixed Point to Point Microwave	
	WLK581	Common Carrier Fixed Point to Point Microwave	
	WLK669	Common Carrier Fixed Point to Point Microwave	
	WLK670	Common Carrier Fixed Point to Point Microwave	
	WLK671	Common Carrier Fixed Point to Point Microwave	
	WLW391	Common Carrier Fixed Point to Point Microwave	
	WML566	Common Carrier Fixed Point to Point Microwave	
	WML567	Common Carrier Fixed Point to Point Microwave	
	WMN283	Common Carrier Fixed Point to Point Microwave	
	WMN284	Common Carrier Fixed Point to Point Microwave	
	WMQ534	Common Carrier Fixed Point to Point Microwave	
	WMQ535	Common Carrier Fixed Point to Point Microwave	
	WMR576	Common Carrier Fixed Point to Point Microwave	
	WMS498	Common Carrier Fixed Point to Point Microwave	
	WMS499	Common Carrier Fixed Point to Point Microwave	
	WMV951	Common Carrier Fixed Point to Point Microwave	
	WPJB358	Common Carrier Fixed Point to Point Microwave	
	WPJB359	Common Carrier Fixed Point to Point Microwave	
	WPNG599	Common Carrier Fixed Point to Point Microwave	
	WPOR603	Common Carrier Fixed Point to Point Microwave	
	WPOR604	Common Carrier Fixed Point to Point Microwave	
	WPYV467	Rural Radiotelephone	

Licensee	Call Sign	Type of License	FRN
	WQML664	Common Carrier Fixed Point to Point Microwave	
	WQWB557	Common Carrier Fixed Point to Point Microwave	
	WREP433	Common Carrier Fixed Point to Point Microwave	
	WREP434	Common Carrier Fixed Point to Point Microwave	
	WREP435	Common Carrier Fixed Point to Point Microwave	
	WREP436	Common Carrier Fixed Point to Point Microwave	
	WREP437	Common Carrier Fixed Point to Point Microwave	
	WREP438	Common Carrier Fixed Point to Point Microwave	
	WREP439	Common Carrier Fixed Point to Point Microwave	
	WREP440	Common Carrier Fixed Point to Point Microwave	
	WREP441	Common Carrier Fixed Point to Point Microwave	
	WREP442	Common Carrier Fixed Point to Point Microwave	
	WREP443	Common Carrier Fixed Point to Point Microwave	
	WRJT669	Millimeter Wave 70/80/90 GHz	
	WRJV502	Common Carrier Fixed Point to Point Microwave	
	WRJV512	Common Carrier Fixed Point to Point Microwave	
	WRJV513	Common Carrier Fixed Point to Point Microwave	
	WRJV514	Common Carrier Fixed Point to Point Microwave	
	WRJV515	Common Carrier Fixed Point to Point Microwave	
	WRJV524	Common Carrier Fixed Point to Point Microwave	
	WRJV525	Common Carrier Fixed Point to Point Microwave	
	WRJW745	Common Carrier Fixed Point to Point Microwave	

Licensee	Call Sign	Type of License	FRN
	WNEH751	Microwave Industrial/Business Pool	
ACS Long Distance License Sub, LLC	WNEH752	Microwave Industrial/Business Pool	0022388797
	WPQS872	Common Carrier Fixed Point to Point Microwave	
	WPQS873	Common Carrier Fixed Point to Point Microwave	
	WPWI302	Common Carrier Fixed Point to Point Microwave	
	WPWI831	Common Carrier Fixed Point to Point Microwave	

II. Pending Applications For New CBRS PALs

Licensee/Applicant	Market Name	Market Designator	Number of PALs assigned in Auction 105
Alaska Communications Internet, LLC (FRN 0022389845)	Hoonah-Angoon, AK	D02105	4
	Juneau, AK	D02110	4
	Kenai Peninsula, AK	D02122	4
	Lake and Peninsula, AK	D02164	4
	Matanuska-Susitna, AK	D02170	4
	Nome, AK	D02180	3
	North Slope, AK	D02185	3
	Northwest Arctic, AK	D02188	3
	Southeast Fairbanks, AK	D02240	4
	Yukon-Koyukuk, AK	D02290	4

III. Applications Being Filed in Connection with Transaction

- Joint applications to transfer control of blanket domestic Section 214 operating authority and international Section 214 authorizations.
- Applications to transfer control of wireless licenses.
- An application to transfer control of a non-common carrier earth station license.

- Applications to transfer control of submarine cable landing licenses.

ATTACHMENT B

**PRE- AND POST-CONSUMMATION ORGANIZATIONAL DIAGRAMS
FOR ALASKA COMMUNICATIONS SYSTEMS GROUP, INC.**

Attachment B(1): Post-Consummation Ownership Diagram

Attachment B(2): Post-Consummation Ownership Diagram; Alaska Communications

Attachment B(3): Post-Consummation Ownership Diagram; Freedom

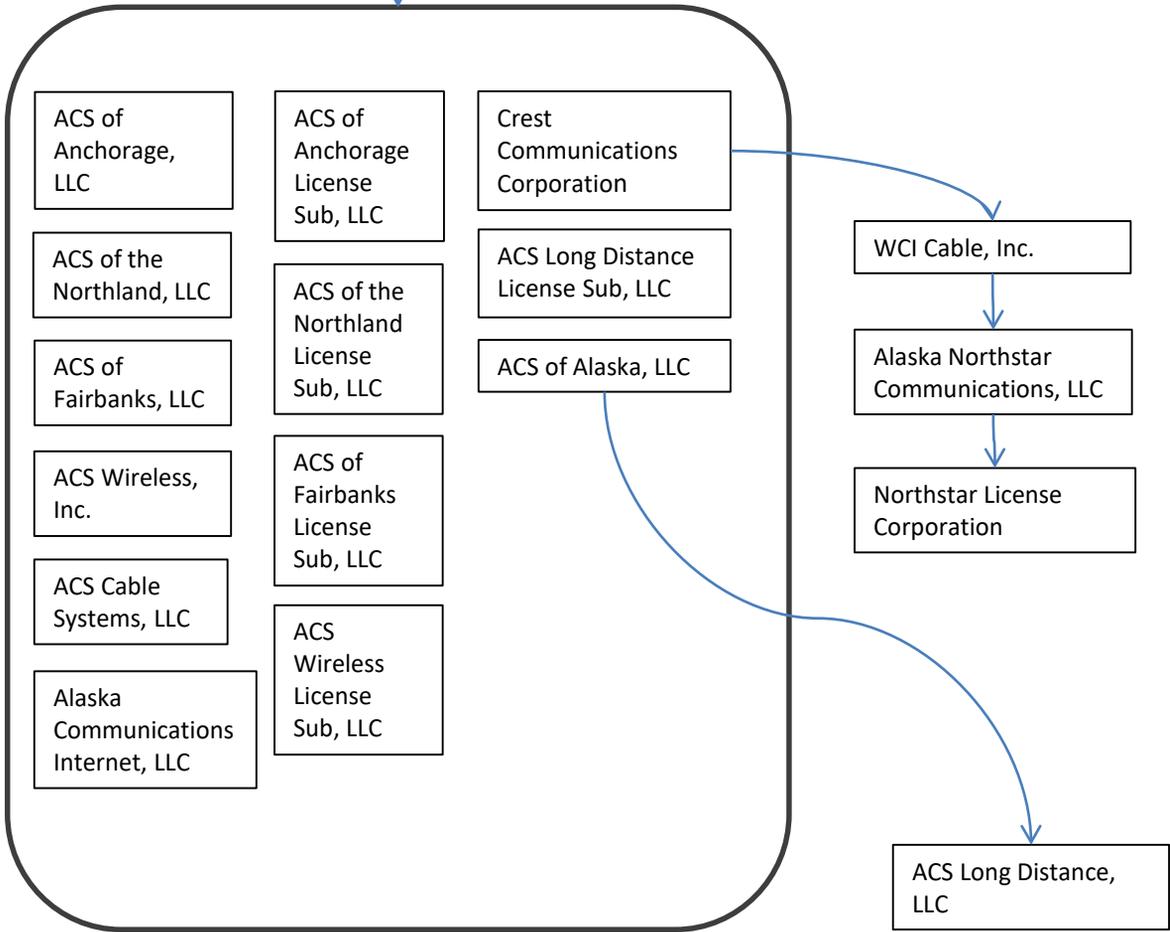
Attachment B(1): Pre-Consummation Ownership Diagram

All entities are wholly owned unless otherwise indicated

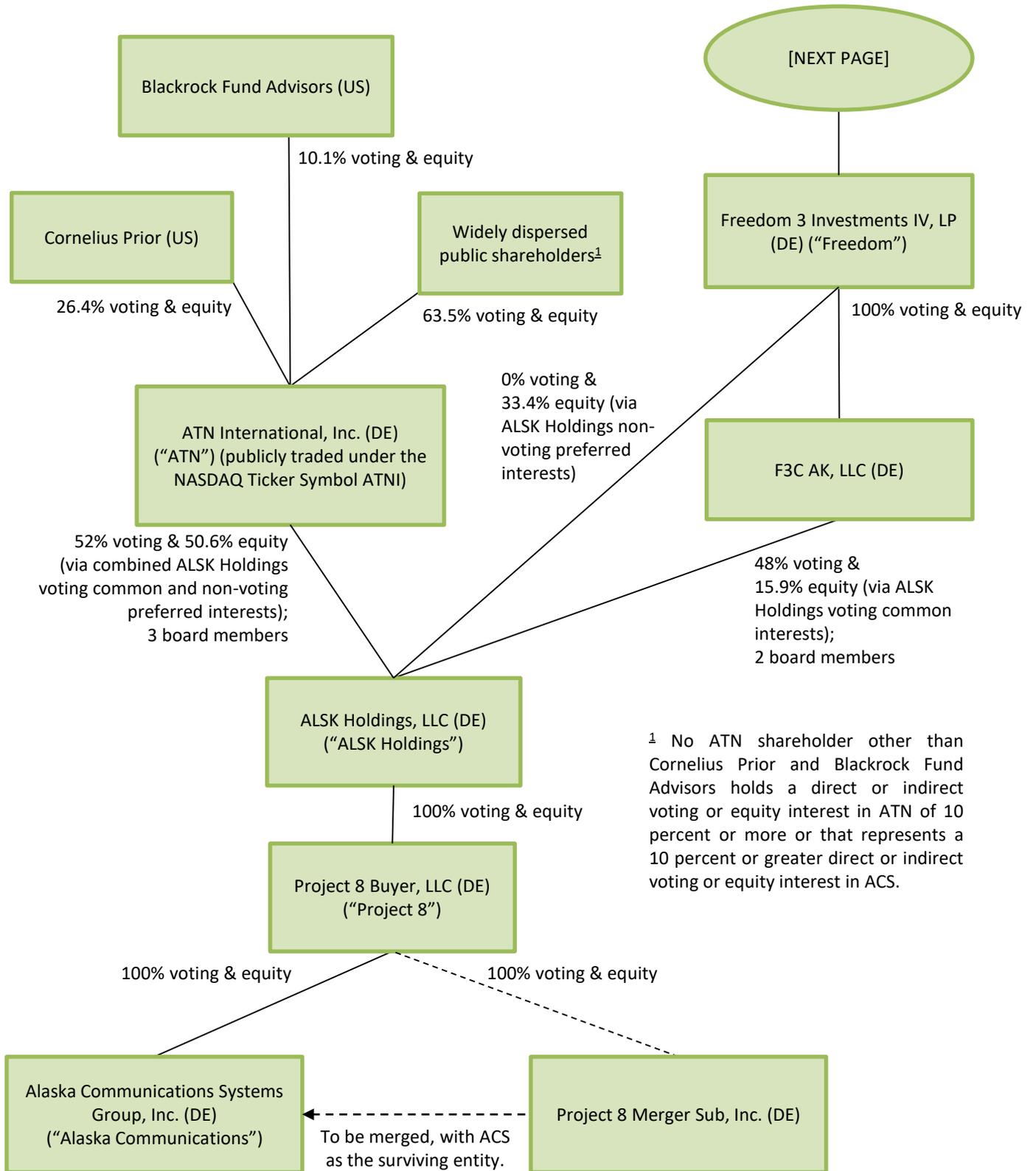
Alaska Communications Systems Group, Inc.

Alaska Communications Systems Holdings, Inc.

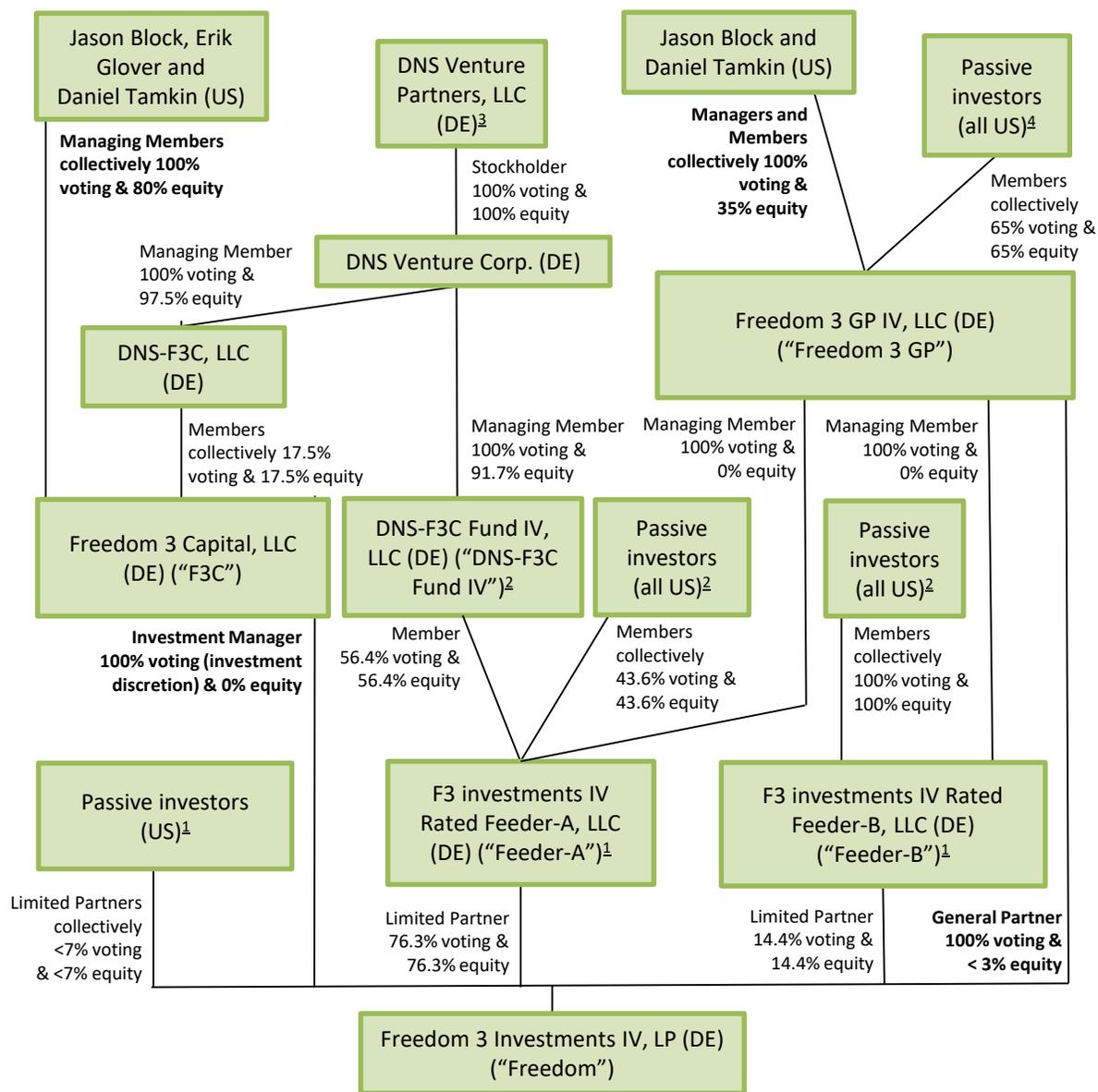
Each entity in the group below is owned directly by Holdings



Attachment B(2): Post-Consummation Ownership Diagram; Alaska Communications



Attachment B(3): Post-Consummation Ownership Diagram; Freedom



¹ Pursuant to the organizational documents of Freedom, Feeder-A, Feeder-B and the other limited partner passive investors in Freedom (which are high-net worth individuals, their investment vehicles, and insurance companies, all of which are U.S. citizens or U.S. organized entities) (collectively "Freedom Investors") are not engaged, and have no active involvement, in the management or operation of Freedom. Although control of Freedom is solely exercised by Freedom 3 GP as its general partner and F3C as its investment manager, and the Freedom Investors have no voting control over Freedom, consistent with the Commission's policies, the Freedom Investors are treated herein as having a voting interest in Freedom equal to their equity interests.

² Pursuant to the organizational documents of Feeder-A and Feeder-B (collectively "Feeder Funds"), DNS-F3C and the passive investor members of the Feeder Funds, which are high-net worth individuals, their investment vehicles, and insurance companies and all of which are U.S. citizens or U.S. organized entities (collectively "Feeder Investors"), are not engaged, and have no active involvement, in the management or operation of the Feeder Funds. Although control of the Feeder Funds is solely exercised by Freedom 3 GP as its general partner, and the Feeder Investors have no voting control over the Feeder Funds, consistent with the Commission's policies, the Feeder Investors are treated herein as having a voting interest in the Feeder Funds equal to their equity interests. With the exception of DNS-F3C, no individual Feeder-A Investor holds an indirect equity or voting interest in Feeder-A of 10 percent or more or that represents a 10 percent or greater direct or indirect voting or equity interest in Alaska Communications.

³ The members of DNS Partners are investment vehicle trusts established for high-net worth individuals, and no individual trust holds an interest in DNS Partners sufficient to represent a 10 percent or greater indirect voting or equity interest in Alaska Communications.

⁴ Pursuant to the organizational documents of Freedom 3 GP, the passive investors members of Freedom 3 GP, which are high-net worth individuals, their investment vehicles, and insurance companies and all of which are U.S. citizens or U.S. organized entities (collectively "Freedom 3 GP Investors"), are not engaged, and have no active involvement, in the management or operation of Freedom 3 GP. Although control of Freedom 3 GP is solely exercised by Jason Block and Daniel Tamkin by virtue of their being its managers (they also are members), and the Freedom 3 GP Investors have no voting control over Freedom 3 GP, consistent with the Commission's policies, the Freedom 3 GP Investors are treated herein as having a voting interest in Freedom 3 GP equal to their equity interests. Only two individual Freedom 3 GP Investor holds an indirect equity or voting interest in Freedom 3 GP of 10 percent or more or that represents a 10 percent or greater direct or indirect voting or equity interest in Alaska Communications: Erik Glover (17.5 percent interest in Freedom 3 GP) and DNS-F3C Fund IV, LLC (15 percent interest).